



## **Office of the Mayor**

### **NEWS RELEASE**

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### **Luecke pledges \$1.4 million, long-term plan for zoo**

*Contact: Mikki Dobski, Director of Communications & Special Projects, 235-5855 or 876-1564*

To address the Potawatomi Zoo's short-term needs for a successful 2009 accreditation by the Association of Zoos and Aquariums, Mayor Stephen J. Luecke today recommended an allocation of \$1.4 million to address immediate concerns at the state's oldest zoo.

In a presentation to the South Bend Common Council during Reports of City Offices, the mayor affirmed the value of the zoo to the community, the good work that has been done by zoo staff over the years, and the city's commitment to meet AZA accreditation standards in 2009.

"We have been planning to budget funds for this work as part of our 2008 and 2009 budgets," Luecke said. "Today's proposal accelerates the availability of resources so that work can begin even sooner."

Luecke also proposed the creation of a bipartisan community task force to address longer-term issues, including a sustainable and broader funding base, continually rising AZA accreditation standards, and expectations for Potawatomi Zoo that are in line with the city's size, the zoo's attendance, and its level of public and private support. The task force will include city council representatives; state legislators; leaders of the zoo, zoological society and the South Bend Department of Parks and Recreation; along with other officials and private citizens.

The \$1.4 million in funds – \$1 million returned from the Business Development Corp. and \$400,000 from the city's 2008 capital budget – is the maximum identified by a zoo consultant as needed for Phase I immediate action to ensure continued AZA accreditation. The projected costs include new heating, ventilation and air-conditioning systems for four exhibits as well as necessary lighting, electrical and safety measures for several exhibits. The funds also will ensure implementation of an ongoing maintenance program.

The city is responsible for the Potawatomi Zoo's total operating costs. In the last five years, revenue generated by zoo has ranged from one-third to one-half of the zoo's total annual operating expenses. In 2005 and 2006, total operating expenses reached \$1.7 million, leaving a \$900,000 deficit on average after revenue. The shortfall is covered by the property tax allocation to the South Bend Department of Parks and Recreation. At the same time, \$1 from each gate fee, concessions purchase or gift shop sale is set aside for capital investments in the zoo. That totaled nearly \$944,000 from 2002 through 2007.

While the Potawatomi Zoological Society has underwritten many capital improvements and the creation of new exhibits, the City of South Bend subsidizes zoo society funding by making available free zoo passes that the society can sell as memberships. In a new partnership, the Zoological Society and the City in 2006 hired Terry DeRosa as the new zoo director. DeRosa, who has served as an AZA inspector in addition to his experience at major zoos, was hired to help Potawatomi Zoo meet the standards required to continue accreditation in 2009.

At recent meetings, zoological society and zoo representatives also have presented ambitious Phase II and Phase III plans that could cost \$15 million to enhance existing exhibits or create new animal experiences and adventures. Citing features of exhibits at the nation's premier zoos in much larger cities like Seattle, San Diego and Honolulu, zoological society representatives presented dreams for similar exhibits in South Bend.

"Potawatomi Zoo is owned and operated by the City of South Bend and funded by city taxpayers. But the zoo is treasured by people from LaPorte to Lagrange and from St. Joseph, Mich., to Plymouth, Ind. We must build a broader base of support for this wonderful asset. South Bend taxpayers alone can no longer shoulder all the costs while so many others reap the benefits," Luecke said. "This zoo is a vital treasure for the region, has great potential to generate additional tourism and needs a new partnership to support its engaging and expanding vision."

Citing the positive work done by zoo staff, the mayor noted that Potawatomi was the smallest zoo named in 2004 by *Child Magazine* on a list of the nation's Top 20 Zoos for Kids. The city zoo was first accredited by the AZA in 1987. In 2006, there were 214 zoos accredited with the AZA. (Fewer than 10 percent of USDA-licensed wildlife exhibitors are AZA-accredited.) But rising accreditation standards remain a challenge for smaller zoos. According to a *Chicago Tribune* report, many smaller, city-owned zoos are facing threats to their survival. In Wisconsin, the Racine Zoological Society has cut its staff by one-fourth, while the Municipal Zoo in Wisconsin Rapids reduced its funding by one-third. Closer to home, the Washington Park Zoo in Michigan City cut its staff by one-fifth, according to the Nov. 17, 2006, report.

"The City of South Bend has a responsibility to maintain a beautiful zoo for visitors and a safe place for keepers and animals. However with the looming impact of the Circuit Breaker, city taxpayers alone cannot make Potawatomi Zoo's exhibits and adventures rival those of zoos in cities many times our size," Luecke said. "That's why I'm creating this bipartisan community task force to look at expanding the zoo's base of support to fund a plan that is appropriate for a world-class zoo for a community of our size."

Average zoo attendance nationwide increased 1.8 percent in 2006, according to a study by the Morey Group Inc. Potawatomi Zoo's attendance that year declined 14 percent to

165,248 – the sixth lowest gate in the past 26 years. (Peak attendance at Potawatomi Zoo reached 228,035 in 1988, and the 26-year average is nearly 184,000 annual visitors.) A zoo in a smaller city, Binder Park Zoo in Battle Creek, Mich., drew more than 300,000 people in 2006, thanks to funding from the locally based Kellogg Foundation. With private support, the zoo was able to develop a marketing plan and identity campaign to reach visitors from Grand Rapids to Detroit.

With more than 400 animals on 23 acres, Potawatomi Zoo has plenty of room to add new exhibits, according to DeRosa. Funding remains the primary challenge, and that experience is not unique to Potawatomi Zoo.

“Over the long term, funding from government for non-profit cultural institutions and activities has declined, and that trend will likely go on into the next century,” according to a trend report for 2020 by the AZA. “Budget appropriations from the federal down to the local level go more toward what are viewed as essential services, while museums, zoos and aquariums face constant pressure to generate more earned and donated revenues to offset that loss. Municipal zoos and aquariums across the country have faced funding shortages and shortfalls, forcing them to use more for-profit business strategies. ...”

The AZA report added: “Finding innovative new exhibit trends in the museum, zoo and aquarium world depends on understanding and listening to the audiences they want to engage. Zoos and aquariums are competing for people’s leisure time along with the many other options in their lives. ... Large capital outlays to add new and different exhibit experiences may be the clearest response, but often not the most realistic. ... Institutions will have to learn how to be more flexible and nimble; they will have to find ways to create a sense of change without spending much money on major new exhibits and expansion.”

Average zoo admission prices nationwide have increased 73 percent in the past five years, according to the Morey Group study. In 2002, average admission prices were \$5.90 for adults and \$3.30 for children, compared with 2006 averages of \$10.18 for adults and \$6.36 for children. And at many zoos, admission prices include a discount for residents of the jurisdiction whose taxes provide the operating support. Admission at Potawatomi Zoo is \$7 for adults and \$5 for children, ages 3-14, and seniors 62 and up. There is no discount for South Bend city taxpayers.

National reports indicate that the average length of stay at a zoo is 3.5 hours, nearly twice the length of time spent watching a movie – even though Potawatomi’s adult admission is the same as local movie theaters’ standard ticket.

While increased admission prices, particularly for those who aren’t city taxpayers, may be one means of generating additional revenue, the task force will explore all options on the table, according to Luecke.

In October 2006, consultant Schultz & Williams prepared an overview of regional funding models used by zoos nationwide, classifying eight different funding patterns:

- Self-generating funding – Zoos with little or no public funding and generally higher admission fees.
- Line-item budget appropriations – Zoos that receive annual state or city operating support for a government-owned zoo managed generally by a not-for-profit

organization under a long-term operating agreement.

- Regional funding dedicated to the zoo – Zoos in Oklahoma City and Fresno, Calif., receive 1 percent sales tax allocations, while a Seattle zoo receives funding from a voter-approved bond initiative.
- Regional funding as part of a broader tax initiative – Several zoos and other regional cultural attractions receive funding from tax districts or other initiatives.
- Publicly funded, managed with society support – For several zoos, the government entity serves as the landlord while a nonprofit zoological society raises funds for capital support.
- County levies – In Ohio, four city zoos receive support from property taxes or through levies for operating or capital support.
- Hybrid models – Several zoos receive public funds with special dedicated revenue through a nonprofit organization like a zoological society.
- Quality of Life referendum – In Jacksonville, Fla., voters in 2000 approved a “Better Jacksonville Plan” that provided \$10 million for the zoo as part of \$2.25 billion for transportation, environmental preservation and public-facility projects. The plan was funded by a one-half of 1 percent sales tax increase.

Founded in 1902 in Leeper Park, Potawatomi Zoo moved to its current location in 1912.